



Norfolk Southern Corporation  
Law Department  
Three Commercial Place  
Norfolk, Virginia 23510-9241

Writer's Direct Dial Number

(757) 629-2759  
fax (757) 533-4872

James R. Paschall  
Senior General Attorney



217292

August 15, 2006

via fax 202 565-9004  
and original and 10 copies via mail

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0001

ENTERED  
Office of Proceedings

AUG 15 2006

Part of  
Public Record

Re: STB Finance Docket No. 34893, The Chicago, Lake Shore and South  
Bend Railway Company - Acquisition and Operation Exemption - Norfolk  
Southern Railway Company

Dear Mr. Williams:

Norfolk Southern Railway Company submits this letter to advise the Board that no agreement has been or will be executed between the Chicago, Lake Shore and South Bend Railway Company with respect to the transaction that is the subject of this proceeding. Therefore, the proceeding is moot. As a result, NSR suggests it may be dismissed by the Board.

CLS&SB should not be criticized for submitting the notice early inasmuch as the parties were working to complete the tentative transaction. CLSSB wished to proceed with the transaction and reactivation of the rail line quickly upon reaching and executing a final agreement with NSR. The Board's notice of exemption was permissive, not mandatory, and did not require that the agreement be reached before CLSSB submitted the notice of exemption to the Board. The Board's notice served July 6, 2006 also does not now require that the transaction be consummated.

Very truly yours,

  
James R. Paschall

Honorable Vernon A. Williams  
STB Finance Docket No. 34893  
August 15, 2006  
Page 2 of 2

cc: via fax 202 296-3939  
Mr. John D. Heffner  
1920 N Street, NW  
Suite 800  
Washington, DC 20036

Attorney for the Chicago, Lake Shore and South Bend Railway Company

via fax 574 235-9892  
Mr. Jeffrey M. Jankowski  
Deputy City Attorney  
227 West Jefferson Blvd.  
South Bend, IN 46601

via fax 574 287-1840  
Ms. Sandra M. Seanor  
Executive Director  
Michiana Council of Governments  
227 West Jefferson Blvd.  
South Bend, IN 46601

via fax 574 284-5779  
Sister Joy O'Grady President  
Sisters of the Holy Cross  
501 Bertrand Hall - St. Mary's  
Notre Dame, IN 46556-5000

via fax 202 289-1330  
Mr. Richard H. Streeter  
Barnes and Thornburg, LLP  
Suite 900  
750 17<sup>th</sup> Street, N.W.  
Washington, DC 20006-4675

Attorney for the Brothers of the Holy Cross, Inc.